

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 915
93RD GENERAL ASSEMBLY

Reported from the Committee on Commerce, Energy and the Environment, February 16, 2006, with recommendation that the Senate Committee Substitute do pass.

4541S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 393, RSMo, by adding thereto five new sections relating to the green power initiative, with an effective date.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 393, RSMo, is amended by adding thereto five new sections, to be known as sections 393.1020, 393.1025, 393.1030, 393.1035, and 393.1040, to read as follows:

393.1020. 1. It is the general assembly's intent to encourage the development and utilization of technically feasible and economical renewable technologies, creating cleaner and more sustainable forms of energy for the residents of the state. It is for this reason that sections 393.1020 to 393.1040 shall be known as the "Green Power Initiative".

2. The definitions provided in section 386.020, RSMo, shall apply to sections 393.1020 to 393.1040. As used in sections 393.1020 to 393.1040, the following terms mean:

- (1) "Department", the department of natural resources;**
- (2) "Eligible renewable energy technology", sources of energy that shall be considered renewable for purposes of this section shall include but not be limited to the following:**
 - (a) Solar, including photovoltaic cells, concentrating solar power technologies, and low temperature solar collectors;**
 - (b) Wind;**
 - (c) Hydroelectric, not including pump-storage;**
 - (d) Hydrogen from renewable sources;**
 - (e) Biomass, any plant-derived organic matter available on a**

20 renewable basis, including dedicated energy crops and trees,
21 agricultural food and feed crops, agricultural crop wastes and residues,
22 wood wastes and residues, aquatic plants, biogas from landfills or
23 wastewater treatment plants; and

24 (f) Other renewable energy sources defined by rule by the
25 commission after consultation with the department;

26 (3) "Energy efficiency", verifiable reductions in energy
27 consumption, or verifiable reductions in the rate of energy
28 consumption growth, as defined by rule by the commission after
29 consultation with the department, as a result of measures implemented
30 by electrical corporations and electricity consumers which may
31 include, but not be limited to, pricing signals, electronic controls,
32 education, information, infrastructure improvements, and the use of
33 high efficiency equipment and lighting;

34 (4) "Total retail electric sales", the kilowatt-hours of electricity
35 delivered in a year by an electrical corporation to its Missouri retail
36 customers.

393.1025. 1. Each electrical corporation shall make a good faith
2 effort to generate or procure sufficient electricity generated by an
3 eligible renewable energy technology, and support energy efficiency
4 measures, so that by 2012, three percent of total retail electric sales in
5 the aggregate by electrical corporations is generated by eligible
6 renewable energy technologies, increasing to seven percent by 2015,
7 and ten percent generated by eligible renewable energy technologies
8 by 2020. Generation provided by any existing eligible renewable energy
9 technology, owned, controlled, or purchased by electrical corporations,
10 that are operational prior to August 28, 2006, shall be applied towards
11 meeting the ten percent objective so long as it continues to generate
12 electricity. Credit towards the ten percent objective also may be
13 achieved through energy efficiency that includes electrical corporation
14 and consumer efforts to reduce the consumption of electric
15 energy. After consulting with the department, the commission may
16 establish intermediate goals for the use of renewable energy
17 technologies as part of its rulemaking process.

18 2. By July 1, 2007, the commission shall, after consultation with
19 the department, adopt rules that integrate into its resource planning
20 rules the renewable energy objective of subsection 1 of this section and

21 the criteria and standards by which it will measure an electrical
22 corporation's efforts to meet that objective to determine whether it is
23 making the required good faith effort. In this rulemaking, the
24 commission shall include criteria and standards that, at a minimum,
25 shall:

26 (1) Protect against adverse economic impacts, including the costs
27 of any transmission investments necessary to access eligible renewable
28 energy technologies, on the ratepayers and shareholders;

29 (2) Protect against undesirable impacts on the reliability of each
30 electrical corporation's system;

31 (3) Consider environmental compliance costs, present and future,
32 of each source being evaluated; and

33 (4) Consider technical feasibility, providing for flexibility in
34 meeting the objective in the event electrical corporations are, for good
35 cause shown, unable to meet in aggregate the objective of this section.

36 3. In its rulemaking under this section, the commission shall
37 provide for a weighted scale of how energy produced by various
38 eligible renewable energy technologies shall count toward an electrical
39 corporation's objective. In establishing this scale, the commission shall
40 consider the attributes of various technologies and fuels and shall
41 establish a system that grants multiple credits toward the objective for
42 those technologies and fuels the commission determines are in the
43 public interest to encourage. The commission may also grant multiple
44 credits toward the objective for generation in the state or procurement
45 of electricity generated in the state that uses an eligible renewable
46 energy technology.

47 4. The commission shall develop rules as provided in this section
48 in consultation with the department as necessary to implement the
49 requirements of section 393.1025. Any rule or portion of a rule, as that
50 term is defined in section 536.010, RSMo, that is created under the
51 authority delegated in this section shall become effective only if it
52 complies with and is subject to all of the provisions of chapter 536,
53 RSMo, and, if applicable, section 536.028, RSMo. This section and
54 chapter 536, RSMo, are nonseverable and if any of the powers vested
55 with the general assembly pursuant to chapter 536, RSMo, to review, to
56 delay the effective date, or to disapprove and annul a rule are
57 subsequently held unconstitutional, then the grant of rulemaking

58 authority and any rule proposed or adopted after August 28, 2006, shall
59 be invalid and void.

393.1030. 1. Each electric corporation shall submit to the
2 commission a biennial report by December thirty-first, beginning in
3 2008, on its plans, activities, and progress with regard to the objective
4 of section 393.1025, demonstrating to the commission that it is making
5 the required good faith effort. The report must be submitted in a
6 format prescribed by the commission, and it shall include the following:

7 (1) Sufficient data to specify and verify the status of its
8 renewable energy mix relative to the good faith objective;

9 (2) Sufficient data to specify and verify the status of the electric
10 corporation's and its customers' energy efficiency efforts relative to
11 the good faith objective;

12 (3) Efforts taken to meet the objective;

13 (4) Any obstacles encountered or anticipated in meeting the
14 objective; and

15 (5) Potential solutions to the obstacles.

16 2. The commission shall compile the information provided under
17 subsection 1 of this section and biennially report by July first,
18 beginning in 2009, to the governor, the speaker of the house of
19 representatives, the president pro tempore of the senate, the chairs of
20 the committees in the house of representatives and senate with
21 jurisdiction over energy and environment policy issues, and the
22 department as to the progress of electrical corporations in the state in
23 increasing the amount of renewable energy provided to retail
24 customers and increasing energy efficiency, with any recommendations
25 for regulatory or legislative action. In addition, the Missouri director
26 of economic development shall issue a biennial report on July first,
27 beginning in 2009, on the impact of the renewable portfolio standard on
28 the Missouri economy and the director of the Missouri department of
29 natural resources shall issue a biennial report by July first, beginning
30 in 2009, on the environmental impact of sections 393.1020 to
31 393.1040. The biennial reporting requirements under this subsection
32 shall end after July 1, 2021.

393.1035. 1. Electricity produced by fuel combustion may only
2 count toward an electrical corporation's objectives if the generation
3 facility complies with all federal and state statutes and rules.

4 **2. An electrical corporation may blend or co-fire a fuel listed in**
5 **subsection 1 of section 393.1020, with other fuels in the generation**
6 **facility, but only the percentage of electricity that is attributable to a**
7 **fuel listed in that section can be counted toward an electric**
8 **corporation's renewable energy objectives.**

393.1040. In addition to the renewable energy objectives set forth
2 **in sections 393.1025, 393.1030, and 393.1035, it is also the policy of this**
3 **state to encourage electrical corporations to develop and administer**
4 **energy efficiency initiatives that reduce the annual growth in energy**
5 **consumption and the need to build additional electric generation**
6 **capacity.**

 Section B. Section A of this act shall become effective January 1, 2007.

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Bill

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