

**SENATE AMENDMENT NO. \_\_\_\_\_**

Offered by \_\_\_\_\_ of \_\_\_\_\_

Amend Senate Bill No. 275, Page 1, Section Title, Lines 2-3,

2 by striking "a sales tax exemption for electricity" and  
 3 inserting in lieu thereof the following: "utilities"; and  
 4 Further amend said bill and page, section 144.058, line  
 5 16, by inserting after all of said line the following:

6 "393.1030. 1. The commission shall, in consultation  
 7 with the department, prescribe by rule a portfolio  
 8 requirement for all electric utilities to generate or  
 9 purchase electricity generated from renewable energy  
 10 resources. Such portfolio requirement shall provide that  
 11 electricity from renewable energy resources shall constitute  
 12 the following portions of each electric utility's sales:

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

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

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

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

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

26 standard in whole or in part by purchasing RECs. Each  
27 kilowatt-hour of eligible energy generated in Missouri shall  
28 count as 1.25 kilowatt-hours for purposes of compliance.

29 2. (1) This subsection applies to electric utilities  
30 with more than two hundred fifty thousand but less than one  
31 million retail customers in Missouri as of the end of  
32 calendar year 2022.

33 (2) Energy meeting the criteria of the renewable  
34 energy portfolio requirements set forth in subsection 1 of  
35 this section that is generated from renewable energy  
36 resources and contracted for by an accelerated renewable  
37 buyer shall:

38 (a) Have all associated renewable energy certificates  
39 retired by the accelerated renewable buyer, or on their  
40 behalf, and the certificates shall not be used to meet the  
41 electric utility's portfolio requirements pursuant to  
42 subsection 1 of this section;

43 (b) Be excluded from the total electric utility's  
44 sales used to determine the portfolio requirements pursuant  
45 to subsection 1 of this section; and

46 (c) Be used to offset all or a portion of its electric  
47 load for purposes of determining compliance with the  
48 portfolio requirements pursuant to subsection 1 of this  
49 section.

50 (3) The accelerated renewable buyer shall be exempt  
51 from any renewable energy standard compliance costs as may  
52 be established by the utility and approved by the  
53 commission, based on the amount of renewable energy  
54 certificates retired pursuant to this subsection in  
55 proportion to the accelerated renewable buyer's total  
56 electric energy consumption, on an annual basis.

57 (4) An "accelerated renewable buyer" means a customer  
58 of an electric utility, with an aggregate load over eighty

59 average megawatts, that enters into a contract or contracts  
60 to obtain:

61 (a) Renewable energy certificates from renewable  
62 energy resources as defined in section 393.1025; or

63 (b) Energy and renewable energy certificates from  
64 solar or wind generation resources located within the  
65 Southwest Power Pool or Midcontinent Independent System  
66 Operator regions and initially placed in commercial  
67 operation after January 1, 2020, including any contract with  
68 the electric utility for such generation resources that does  
69 not allocate to or recover from any other customer of the  
70 utility the cost of such resources.

71 (5) Each electric utility shall certify, and verify as  
72 necessary, to the commission that the accelerated renewable  
73 buyer has satisfied the exemption requirements of this  
74 subsection for each year, or an accelerated renewable buyer  
75 may choose to certify satisfaction of this exemption by  
76 reporting to the commission individually. The commission  
77 may promulgate such rules and regulations as may be  
78 necessary to implement the provisions of this subsection.  
79 Nothing in this section shall be construed as imposing or  
80 authorizing the imposition of any reporting, regulatory, or  
81 financial burden on an accelerated renewable buyer.

82 3. The commission, in consultation with the department  
83 and within one year of November 4, 2008, shall select a  
84 program for tracking and verifying the trading of renewable  
85 energy credits. An unused credit may exist for up to three  
86 years from the date of its creation. A credit may be used  
87 only once to comply with sections 393.1020 to 393.1030 and  
88 may not also be used to satisfy any similar nonfederal  
89 requirement. An electric utility may not use a credit  
90 derived from a green pricing program. Certificates from net-  
91 metered sources shall initially be owned by the customer-

92 generator. The commission, except where the department is  
93 specified, shall make whatever rules are necessary to  
94 enforce the renewable energy standard. Such rules shall  
95 include:

96 (1) A maximum average retail rate increase of one  
97 percent determined by estimating and comparing the electric  
98 utility's cost of compliance with least-cost renewable  
99 generation and the cost of continuing to generate or  
100 purchase electricity from entirely nonrenewable sources,  
101 taking into proper account future environmental regulatory  
102 risk including the risk of greenhouse gas regulation.  
103 Notwithstanding the foregoing, until June 30, 2020, if the  
104 maximum average retail rate increase would be less than or  
105 equal to one percent if an electric utility's investment in  
106 solar-related projects initiated, owned or operated by the  
107 electric utility is ignored for purposes of calculating the  
108 increase, then additional solar rebates shall be paid and  
109 included in rates in an amount up to the amount that would  
110 produce a retail rate increase equal to the difference  
111 between a one percent retail rate increase and the retail  
112 rate increase calculated when ignoring an electric utility's  
113 investment in solar-related projects initiated, owned, or  
114 operated by the electric utility. Notwithstanding any  
115 provision to the contrary in this section, even if the  
116 payment of additional solar rebates will produce a maximum  
117 average retail rate increase of greater than one percent  
118 when an electric utility's investment in solar-related  
119 projects initiated, owned or operated by the electric  
120 utility are included in the calculation, the additional  
121 solar rebate costs shall be included in the prudently  
122 incurred costs to be recovered as contemplated by  
123 subdivision (4) of this subsection;

124           (2) Penalties of at least twice the average market  
125 value of renewable energy credits for the compliance period  
126 for failure to meet the targets of subsection 1 of this  
127 section. An electric utility will be excused if it proves  
128 to the commission that failure was due to events beyond its  
129 reasonable control that could not have been reasonably  
130 mitigated, or that the maximum average retail rate increase  
131 has been reached. Penalties shall not be recovered from  
132 customers. Amounts forfeited under this section shall be  
133 remitted to the department to purchase renewable energy  
134 credits needed for compliance. Any excess forfeited  
135 revenues shall be used by the division of energy solely for  
136 renewable energy and energy efficiency projects;

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

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

145           [3.] 4. As provided for in this section, except for  
146 those electrical corporations that qualify for an exemption  
147 under section 393.1050, each electric utility shall make  
148 available to its retail customers a solar rebate for new or  
149 expanded solar electric systems sited on customers'  
150 premises, up to a maximum of twenty-five kilowatts per  
151 system, measured in direct current that were confirmed by  
152 the electric utility to have become operational in  
153 compliance with the provisions of section 386.890. The  
154 solar rebates shall be two dollars per watt for systems  
155 becoming operational on or before June 30, 2014; one dollar  
156 and fifty cents per watt for systems becoming operational

157 between July 1, 2014, and June 30, 2015; one dollar per watt  
158 for systems becoming operational between July 1, 2015, and  
159 June 30, 2016; fifty cents per watt for systems becoming  
160 operational between July 1, 2016, and June 30, 2017; fifty  
161 cents per watt for systems becoming operational between July  
162 1, 2017, and June 30, 2019; twenty-five cents per watt for  
163 systems becoming operational between July 1, 2019, and June  
164 30, 2020; and zero cents per watt for systems becoming  
165 operational after June 30, 2020. An electric utility may,  
166 through its tariffs, require applications for rebates to be  
167 submitted up to one hundred eighty-two days prior to the  
168 June thirtieth operational date. Nothing in this section  
169 shall prevent an electrical corporation from offering  
170 rebates after July 1, 2020, through an approved tariff. If  
171 the electric utility determines the maximum average retail  
172 rate increase provided for in subdivision (1) of subsection  
173 [2] 3 of this section will be reached in any calendar year,  
174 the electric utility shall be entitled to cease paying  
175 rebates to the extent necessary to avoid exceeding the  
176 maximum average retail rate increase if the electrical  
177 corporation files with the commission to suspend its rebate  
178 tariff for the remainder of that calendar year at least  
179 sixty days prior to the change taking effect. The filing  
180 with the commission to suspend the electrical corporation's  
181 rebate tariff shall include the calculation reflecting that  
182 the maximum average retail rate increase will be reached and  
183 supporting documentation reflecting that the maximum average  
184 retail rate increase will be reached. The commission shall  
185 rule on the suspension filing within sixty days of the date  
186 it is filed. If the commission determines that the maximum  
187 average retail rate increase will be reached, the commission  
188 shall approve the tariff suspension. The electric utility  
189 shall continue to process and pay applicable solar rebates

190 until a final commission ruling; however, if the continued  
191 payment causes the electric utility to pay rebates that  
192 cause it to exceed the maximum average retail rate increase,  
193 the expenditures shall be considered prudently incurred  
194 costs as contemplated by subdivision (4) of subsection [2] 3  
195 of this section and shall be recoverable as such by the  
196 electric utility. As a condition of receiving a rebate,  
197 customers shall transfer to the electric utility all right,  
198 title, and interest in and to the renewable energy credits  
199 associated with the new or expanded solar electric system  
200 that qualified the customer for the solar rebate for a  
201 period of ten years from the date the electric utility  
202 confirmed that the solar electric system was installed and  
203 operational.

204 [4.] 5. The department shall, in consultation with the  
205 commission, establish by rule a certification process for  
206 electricity generated from renewable resources and used to  
207 fulfill the requirements of subsection 1 of this section.  
208 Certification criteria for renewable energy generation shall  
209 be determined by factors that include fuel type, technology,  
210 and the environmental impacts of the generating facility.  
211 Renewable energy facilities shall not cause undue adverse  
212 air, water, or land use impacts, including impacts  
213 associated with the gathering of generation feedstocks. If  
214 any amount of fossil fuel is used with renewable energy  
215 resources, only the portion of electrical output  
216 attributable to renewable energy resources shall be used to  
217 fulfill the portfolio requirements.

218 [5.] 6. In carrying out the provisions of this  
219 section, the commission and the department shall include  
220 methane generated from the anaerobic digestion of farm  
221 animal waste and thermal depolymerization or pyrolysis for

222 converting waste material to energy as renewable energy  
223 resources for purposes of this section.

224       [6.] 7. The commission shall have the authority to  
225 promulgate rules for the implementation of this section, but  
226 only to the extent such rules are consistent with, and do  
227 not delay the implementation of, the provisions of this  
228 section. Any rule or portion of a rule, as that term is  
229 defined in section 536.010, that is created under the  
230 authority delegated in this section shall become effective  
231 only if it complies with and is subject to all of the  
232 provisions of chapter 536 and, if applicable, section  
233 536.028. This section and chapter 536 are nonseverable and  
234 if any of the powers vested with the general assembly  
235 pursuant to chapter 536 to review, to delay the effective  
236 date, or to disapprove and annul a rule are subsequently  
237 held unconstitutional, then the grant of rulemaking  
238 authority and any rule proposed or adopted after August 28,  
239 2013, shall be invalid and void."; and

240       Further amend the title and enacting clause accordingly.